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SUBJECT: UAE PRESIDENT KHALIFA GIVES RARE INTERVIEW -- MINIMIZES UAE
SECURITY THREAT

¶1. (SBU) SUMMARY. President Sheikh Khalifa bin Zayed Al Nahyan, who rarely addresses the press, gave an interview with Lebanese newspaper Al Nahar June 28, touching on UAE security, Lebanon, UAE policy toward Iran, sovereign wealth funds, Arab labor in the UAE, nuclear cooperation, and the proposed new UAE embassy in Iraq. All UAE papers emphasized Khalifa's refutation of recent U.S. and U.K. security cautions. End summary.

¶2. (SBU) REFUTING SECURITY WARNINGS. In an interview published June 28 in the Lebanese "Al Nahar" newspaper, President Khalifa said the UAE is safe and secure: not only because of effective security measures, but also due to a high standard of living for residents of the UAE. He said warnings circulated by "some foreign diplomatic missions in the UAE" reflect the custom of reacting to "any piece of information or rumor that reaches them, regardless of its validity."

(Comment: The President was clearly referring to the security warnings from the U.S. and U.K. missions issued in mid-June. The following day, local papers published testimonies of local experts who explained that the embassies were "crying wolf." One paper even reported that the U.K. based its warning solely on a conversation overheard from two drunk men talking about a hypothetical terror attack. Such reporting may be part of a coordinated campaign to discredit the security warnings. End comment.) The headlines of all four English-language newspapers June 29 focused on Khalifa's minimizing security concerns: e.g. "Terror warnings 'normal practice to deal with rumors'" and "UAE is secure and stable: Khalifa."

¶3. (U) LEBANON. Khalifa welcomed the new Lebanese president to visit the UAE and expressed his own desire to visit Lebanon to congratulate the new leader. Khalifa praised the Emir of Qatar for his mediation in the Doha agreement. He said the UAE never ceased support to Lebanon, not only out of self-interest but in performing its responsibility as an Arab sister country. When asked if the UAE encourages private sector investment in Lebanon, Khalifa said the government does not influence choices of the private sector, and that the main factor in investment is security and stability -- when these factors are present, Arab and foreign countries will be ready to invest.

¶4. (SBU) SOVEREIGN WEALTH FUNDS. When asked about Abu Dhabi's sovereign wealth funds -- estimated at over US\$800 billion -- Khalifa said the total value of the fund was exaggerated. Regarding the establishment of new funds to help Arab countries, Khalifa said there are already national and regional funds worth billions of dollars throughout the Middle East, and that investment depends on political and administrative improvement in recipient countries.

¶5. (SBU) IRAN. Regarding Iran's potential nuclear weapons program, Khalifa said the UAE is concerned about nuclear weapons in the region; however, it is the right of all states to use nuclear power for peaceful purposes. (Comment: While noting concerns about Iran's nuclear ambitions, the UAE is planning an internationally supported peaceful nuclear energy program with careful mechanisms to avoid allegations of proliferation. End comment.) When asked how the UAE would respond if Iran were to use UAE banking channels in violation of financial sanctions, Khalifa said the UAE will cooperate with international rulings, as the UAE did in the case of Saddam Hussein.

¶6. (U) ARAB LABOR. Khalifa denied any policy to exclude Arab labor from the UAE, explaining that foreign (non-Arab) labor is cheaper and therefore more utilized at present. Khalifa noted that many managers and skilled workers in the UAE are Arab, and hoped the growing economy would provide more jobs for them in the future.

¶7. (SBU) UAE EMBASSY IN IRAQ. The press also noted Khalifa's comments on Iraq. Acknowledging the UAE's decision to reopen an embassy in Baghdad, Khalifa noted that the UAE's relationship with Iraq "never stopped" even when the embassy was closed, and urged greater Arab involvement in Iraq to "undermine efforts to isolate Iraq from its Arab neighbors" (a clear reference to countering Iranian influence).

¶8. (SBU) Comment. The rationale for granting this interview is not clear, as it is fairly rare for Khalifa to speak directly (and at length) with the press. If chosen headlines are any indication, one impetus may have been the opportunity to assuage security concerns in light of the U.S. and U.K. warnings. End comment.

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